(b) In accordance with these Agreements entered into with India's trading partners certain items (340) were shifted from Restricted List/SIL to OGL on 13.4.1998 coinciding with the announcement of the Exim Policy for 1998-99.

Interests of G-8

3543. SHRIMATI VEENA VERMA: SHRI RAJUBHAI A. PARMAR:

Will the Minister of COMMERCE be pleased to state:

(a) how far the G-8's market interests in Indian market are likely to suffer with the imposition of sanctions by the G-8 countries against India and Pakistan in the aftermath of N-Tests by India and Pakistan in May this year; and

(b) if so, what concessions and relaxations have since been secured by India from G-8 countries in the sanctions imposed by them, in return for securing G-8's market interests in this country?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE): (a) and (b) Government of India is not concerned with the likely adverse impact of sanctions suffered by other countries, including the G-8, in the aftermath of the recent unclear tests carried out by India. However, it would appear that there is considerable debate in the US that the US sanctions are likely to impact on US exports to India. An 18-Member task force has been set up in the US Senate to examine the issue. In the meanwhile, the US Senate and Congress have already approved exemption from sanctions for assistance from the US Department of Commerce for agricultural exports. Medicines and Medical equipment have also been exempted. It would thus appear that G-8 countries, like the USA are reviewing the sanctions imposed by them.

Impact of Sanctions of India

3544. SHRIMATI VEENA VERMA: SHRI RAJUBHAI A. PARMAR:

Will the Minister of COMMERCE be pleased to state:

(a) whether the US Secretary of State Ms Madeleins Albright has concurred with the Union Minister of Commerce that the sanctions imposed on India and Pakistan would not only affect the two countries but also the US business to a large extent;

(b) whether the matters were discussed during the visits of the special envoy of the Prime Minister of the US; and

(c) if so, the precise subject discussed and the outcome thereof?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE): (a) the US Secretary of State has neither concurred with nor denied the Union Commerce Minister's position on sanctions imposed on India after the recent nuclear tests.

(b) and (c) Discussions of the Special Envoy of the Prime Minister with all concerned are still continuing.

Exports of Hardware

3545. SHRI KRISHNA KUMAR BIRLA: Will the Minister of Commerce be pleased to state:

(a) whether it is a fact that exports of hardware has been badly hit seriously affecting the growth of hardware industry in the country;

(b) if so, the extent to which country's hardware exports suffered a set back against projection during the financial year 1997-98;

(c) what are the main causes for decline in hardware exports; and

(d) the steps taken by Government to retrieve the situation?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE): (a) to (d) A Statement is laid on the Table of the House.

(a) to (d) There is a marginal fall of around 2% in exports of builders hardware during the year 1997-98, which is estimated at Rs. 204.80 crores, against the performance of Rs. 209.85 crores during 1996-97.

Exports of builders' hardware are being made mainly to Germany, Kuwait, Qatar, South Africa, Spain, UK, Argentina, Australia, Bahrain, Canada, France, Ireland, Malaysia, Netherlands, Saudi Arabia, Singapore, UAE & USA. Major fall in the exports of hardware is in the case of USA, Singapore and Australia due to sluggish demand in these countries and also severe competition from some of the East Asian countries viz. China, Thailand, Korea etc. The currency devaluation in some of these countries has also made their exports more competitive.

There is no exclusive scheme for promotion of exports of hardware. However, promotion of exports of this item, like other items in the engineering sector has been the constant endeavour of the Government. Measures being taken to boost exports of engineering goods including that of hardware consist of various provisions under the Export-Import Policy including Duty Exemption Scheme, Export Promotion Capital Goods Scheme, Special Import Licence, Duty Drawback Scheme, Exemption under Section 80 HHC of Income Tax Act, Assistance from Market Development Fund etc., Engineering goods exporters also receive promotional support through various activities of the Engineering Export Promotion Council.

India's Trade With Pakistan

3546. SHRI K. RAHMAN KHAN: Will the Minister of COMMERCE be pleased to state:

(a) which are the largest trading partners of India among the SAARC countries;

(b) whether after the establishment of SAPTA the bilateral trade between India and Pakistan has increased;

(c) if so, what is the total import and export between two countries after the SAPTA agreement; and

(d) what are the steps taken to increase the trade relations between India and Pakistan?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE): (a) The largest trading partners of India among the SAARC member countries are Bangladesh, Sri Lanka, Nepal and Pakistan.

(b) and (c) The Agreement of SAARC Preferential Trading Arrangement (SAPTA) came into effect of 7th December 1995. The Flow of trade between India and Pakistan thereafter has been as below:

(Rs. Crores)

Year	Exports to Pak	Imports From Pak	Total Trade
1995-96	256.97	150.92	407.89
1996-97	558.12	128.36	686.48
1997-98	537.14	139.68	676.82

Source: DGCI&S, Calcutta.

(d) The increase in trade between India and Pakistan in presently hindered by Pakistan's restrictive policy on imports from India. India has given *most favoured nation* status to Pakistan but they have not accorded the same status to India. Pakistan is currently allowing imports from India only against a unilateral list of 595 items many of which do not have a real export potential from India. Within this limitation steps are being taken to step-up bilateral trade. Under the SAARC umbrella, both countries are exchanging tariff concessions under SAPTA and are committed to achieve the *free*